1 Robert Moyer 2014 MAY 22 PM 2: 57 Acting Regional Counsel 2 United States Environmental Protection Agency, Region IX US EPA - REGION IX 3 Rich Campbell HEARING CLERK Assistant Regional Counsel United States Environmental Protection Agency, Region IX 4 75 Hawthorne Street 5 San Francisco, California 94105. 6 Attorneys for Complainant 7 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY 8 **REGION 9** 9 Docket No. SDWA-09-2008-0001 IN THE MATTER OF: 10 11 Arizona Windsong Water Company, COMPLAINANT'S STATUS REPORT 12 Respondent. 13 PWS ID#AZ0401009 14 15 Complainant U.S. Environmental Protection Agency, Region 9, provides the following 16 Status Report in this matter: 17 1. On June 27, 2012, Complainant filed a Motion for Default Order for Liability and Penalty 18 (Default Motion) in the above-captioned matter. 19 2. Respondent Arizona Windsong Water Company ("Arizona Windsong"), care of its 20 corporate officer Pat Paulsell, received Complainant's Default Motion on July 2, 2012. 21 3. To date Respondent has not responded to Complainant's Default Motion. 22 4. On January 31, 2014, Arizona Windsong filed an application for a permanent rate 23 increase with the Arizona Corporation Commission ("ACC") (Attachment 1). According to the 24 ACC filing, Arizona Windsong's total operating revenues in 2012 was \$21,506 and net income 25 was \$364.00 (Attach. 1, pp. 5-6). Arizona Windsong has obtained legal representation for this

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ACC rate application proceeding, and legal counsel has indicated a willingness to serve as Arizona Windsong's counsel in this EPA administrative matter. Arizona Windsong's counsel's contact information is provided below:

Timothy J. Sabo Roshka, DeWulf & Patten, PLC One Arizona Center 400 East Van Buren, Ste. 800 Phoenix, AZ 85004 Phone: 602-256-6100 Email: tsabo@rdp-law.com

- 5. On March 21, 2014, Mr. Paulsell passed away. On March 24, 2014, Arizona Windsong filed a motion for an emergency/interim rate increase. *See* Attach. 2.
- 6. On April 18, 2014, the ACC approved Arizona Windsong's emergency rate increase contingent on Arizona Windsong securing the services of an Arizona Department of Environmental Quality-certified operator to operate and maintain the system (Attach. 3).
- 7. Proof of hiring of the ADEQ-certified operator was filed with the ACC on April 18, 2014. See Attach 4.
- 8. On May 9, 2014, ACC staff recommended approval of Arizona Windsong's permanent rate increase application (ACC Staff Report, Attach. 5). The ACC Staff Report (pg. 3) indicates Arizona Windsong has not raised its rates since 1981, and recommends:

[T]otal operating revenue of \$75,000, an increase of \$55,168 or 278.18 percent ... Staff's recommendation would result in an operating income of \$8,071, for an operating margin of 10.76 per cent."

9. The ACC is schedule to render a decision on the permanent rate increase application request on June 25, 2014. *See http://edocket.azcc.gov* (Case No. 14-0028).

Respectfully submitted this <u>22</u>day of May, 2014

Richard Campbell

EPA Region 9 Office of Regional Counsel